



# County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

November 6, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVE AMENDMENT NO. 3  
TO AGREEMENT WITH FORTINO CASTANEDA, M.D., INC. FOR  
THE EXPANSION OF RADIOLOGY AND TELERADIOLOGY SERVICES  
(SUPERVISORIAL DISTRICTS 2, 4 AND 5)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Director of Health Services, or his designee, to execute Amendment No. 3, substantially similar to Exhibit I, to Agreement No. H-701705 with Fortino Castaneda, M.D. Inc. (Fortino), which expands the sites for the provision of radiology and teleradiology services to include Rancho Los Amigos National Rehabilitation Center (Rancho), effective the date of Board approval through August 31, 2008, with a total increased contract cost of \$25,000, bringing the contract total maximum obligation to \$1,798,700 for the extended term of the contract.
2. Delegate authority to the Director of Health Services, or his designee, to add other County health facilities to Agreement No. H-701705 at the same rates and to increase the maximum contract obligation for these additional sites by no more than 10 percent, subject to review and approval by the Chief Executive Office and County Counsel.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION**

Approval of the Amendment to the Agreement with Fortino will expand the sites for the provision of teleradiology and radiology services to include Rancho, and delegate authority

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

to add other County Health facilities to the Agreement as needed, so long as the existing contract maximum obligation is increased by no more than 10 percent. Further, Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC) will be substituted for Martin Luther King, Jr.-Harbor Hospital (MLK-H) as the recipient of services.

The radiology and teleradiology services will include as-needed on-site coverage which is necessary to address critical staff shortages, peak workload requirements and emergencies by providing additional radiology support staff and services for the Department of Health Services (DHS) facilities covered by the Agreement.

### **FISCAL IMPACT/FINANCING**

The total maximum obligation for the amendment to the Agreement, effective date of Board approval through August 31, 2008 is \$1,798,700, consisting of \$1,400,000 for MLK-MACC, \$70,000 for Harbor-UCLA Medical Center (Harbor), \$175,000 for Olive View-UCLA Medical Center (OVMC), \$128,700 for High Desert Health Systems (HDHS) and \$25,000 for Rancho. Funding is included in DHS' Fiscal Year (FY) 2007-08 Adopted Budget and will be requested in future fiscal years. If additional service sites are added, pursuant to the requested delegated authority, the aggregate maximum obligation may be increased by a total of no more than 10 percent.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The recruitment and retention of qualified physician radiologists continues to be difficult for all of the facilities in DHS. MLK-H was the first facility which required contract teleradiology and radiology services due to the removal of the accreditation of the radiology resident training program in June 2004 and the lack of supplemental coverage provided by medical residents. Maintaining adequate staffing for radiology services continues to be an ongoing challenge not only at MLK-H, but throughout DHS.

Rad-Image Medical Group, Inc. (Rad-Image) and Fortino are the two service providers who were selected to provide contract radiology and teleradiology services to DHS.

On May 17, 2005, the Board approved a sole source agreement with Rad-Image for the provision of radiology and teleradiology services. This action allowed MLK-H to reduce a backlog within the Radiology department and maintain the staff levels necessary to provide critical patient services. The services provided under this Agreement are referred to as "Nighthawk" and are provided during the hours of 7:00 p.m. to 7:00 a.m. Nighthawk services are performed off-site where a radiologist receives images forwarded electronically from DHS facilities.

On October 18, 2005, the Board also approved a sole source Agreement with Fortino to augment the number of staff available to provide radiology and teleradiology services to MLK-H. These additional contract services were necessary to address the peak workloads and emergencies at the facility.

On August 15, 2006, the Board approved Amendment No. 1 that extended the contract term for six months with a provision for a month-to-month extension of the contract term through August 31, 2007.

On August 21, 2007, the Board approved Amendment No. 2 that extended the contract term through August 31, 2008 and expanded the provision of services to include Harbor, OVMC and HDHS. The contract extension requested under Amendment No. 2 was also necessary to allow the Department the additional time necessary to complete the Statement of Work for multiple facilities, release a solicitation and complete the competitive selection process.

The recommended amendment to the Agreement with Fortino will extend the provision of contract services to include Rancho. Simultaneously, DHS seeks delegated authority to add additional DHS facilities, as necessary.

Payment to Fortino for teleradiology and radiology services is set on a fee per-study basis, for each study for which there is a dictated and signed report. The rates of payment are unchanged by the amendment.

The County may terminate the Agreement upon a 30-day advance written notice to Fortino. Fortino may terminate the Agreement upon a 60-day advance written notice to the County.

The Agreement includes all of the standard provisions mandated by the Board. In addition, the Agreement includes mutual indemnity provisions and coverage by the County of malpractice liability for off-site teleradiology services.

Attachments A and B provide additional information.

County Counsel has reviewed and approved Exhibit I, as to use and form.

### **CONTRACTING PROCESS**

The initial sole source agreement with Fortino was necessary to ensure the continuation of radiology services at MLK-H and address critical staffing shortages, peak workloads and emergencies at several of the DHS facilities.

Honorable Board of Supervisors  
November 6, 2007  
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An open competitive solicitation has been delayed due to the need to complete a statement of work which will include multiple facilities. Delays have also been associated with staffing shortages.

The Department intends to develop, finalize and release the solicitation in the Spring of 2008. The resulting list of available radiologists will be utilized as required to ensure that as needed staffing is available adequately to cover the service needs for DHS facilities.

The solicitation will be advertised on the Los Angeles County Online website.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Board approval of the recommended amendment will ensure the adequate provision of physician radiology services to the patients served by Rancho and allow the expansion of services to include additional DHS facilities, if required.

**CONCLUSION**

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
DRJ:LT:bjs

Attachments (3)

c: County Counsel  
Director and Chief Medical Officer, Department of Health Services

110607\_DHS\_Fortino

**SUMMARY OF AMENDMENT****1. TYPE OF SERVICE/PROJECT:**

As needed physician radiology and teleradiology services.

**2. AGENCY ADDRESS AND CONTACT PERSON:**

Fortino Castaneda, M.D. Inc.  
3686 Yorkshire Road  
Pasadena, California 91107  
Attention: Fortino Castaneda, M.D. , Chief Executive Officer  
Telephone: (626) 437-9516

**3. TERM:**

September 1, 2007 through August 31, 2008.

**4. FINANCIAL INFORMATION:**

The total maximum obligation for the amendment to the Agreement, effective date of Board approval through August 31, 2008 is \$1,798,700, consisting of \$1,400,000 for MLK-MACC, \$70,000 for Harbor, \$175,000 for OVMC, \$128,700 for HDHS and \$25,000 for Rancho. Funding is included in the Department's Fiscal Year (FY) 2007-08 Adopted Budget and will be requested in future fiscal years. If additional service sites are added, pursuant to the requested delegated authority, the aggregate maximum obligation may be increased by a total of no more than 10%.

**5. GEOGRAPHIC AREA TO BE SERVED:**

Second, Fourth and Fifth District.

**6. ACCOUNTABLE FOR MONITORING AND EVALUATION:**

Administrators and Medical Directors at MLK, Harbor, OVMC, HDHS and Rancho.

**7. APPROVALS:**

Martin Luther King, Jr.-Multi-Service Ambulatory Care Center: Antionette Smith-Epps, CEO

Harbor-UCLA Medical Center: Miguel Ortiz-Marroquin, Acting  
CEO

High Desert Health System: Beryl Brooks, CEO

Olive View-UCLA Medical Center: Gretchen McGinley, Acting CEO

Rancho Los Amigos National Rehabilitation Center: Jorge Orozco, Acting CEO

Contracts and Grants: Cara O'Neill, Division Chief

County Counsel (review): Anita Lee, Principal Deputy  
County Counsel

**RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT****MAXIMUM RATES BY AGREEMENT**

- A. Professional Services: In payment for Professional Services and each and every other responsibility imposed on Contractor by the Agreement, including but not limited to the obligation to make physicians available as specified in Paragraph 2.C of Exhibit A-1 of the Agreement, except Administrative Services, Contractor will receive a fee based on the following schedule. The fee will be paid for each Study for dictated and signed report.
- (1) Magnetic Resonance: \$55 per Study
  - (2) Computed Tomography: \$45 per Study
  - (3) Ultrasound: \$35 per Study
  - (4) General Diagnostic Studies: \$15 per Study
  - (5) Gastrointestinal Studies: \$100
  - (6) Nuclear Medicine Studies: \$45
  - (7) Angiography performed while providing services onsite during prescheduled hours: \$700
  - (8) Angiography performed after Contractor came in during non-scheduled hours: \$900
  - (9) Other interventional procedures, including but not limited to, PICC Line insertions to be completed only when Contractor is scheduled to provide service on-site: \$150.
- B. "Study" is defined as a procedure that is described using a distinct procedural code under the Current Procedure Terminology (CPT) of the American Medical Association, and which would warrant a separate payment under the rules applied by the Medicare Program . For example, if two (2) CPT codes are utilized, consistent with the rules applied by the Medicare Program to describe the professional services furnished under this Agreement, there would be a fee for two (2) Studies under this Agreement.
- C. Payment for each Study described in categories 7 and 8 above includes payment for the complete provision of services, i.e., preliminary procedures and/or preparation for the examination, the provision of the actual examination, the overall interpreting process, and all required follow-up to insure the report is accurate and released to the referring physician in the time frames provided for in this Agreement.

**RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT**

Amendment No. 3

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 2007,

by and between COUNTY OF LOS ANGELES (hereafter  
"County")  
and FORTINO CASTANEDA, M.D., INC.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled  
"RADIOLOGY AND TELERADIOLOGY SERVICES AGREEMENT" dated October  
18, 2005 and further identified as County Agreement Number H-  
701705, and any Amendments thereto (all hereafter referred to as  
"Agreement");

WHEREAS, it is the intent of the parties hereto to extend  
Agreement and provide other changes set forth herein; and

WHEREAS, said Agreement provides that changes may be made in  
the form of a written Amendment which is formally approved and  
executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective the date of Board  
approval.

2. Paragraph 1, DEFINITIONS of the body of this Agreement  
shall be amended to read as follows:

"1. DEFINITIONS:

A. "Administrator" is the individual acting in the capacity of Chief Executive Officer of Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK), Harbor-UCLA Medical Center (Harbor), Olive View-UCLA Medical Center (OVMC), High Desert Health System (HDHS) and Rancho Los Amigos National Rehabilitation Center (Rancho).

B. "Director" means the Director of County's Department of Health Services, or his or her authorized designee.

C. "County Registered Patient" is a person receiving care at MLK, Harbor, OVMC, HDHS and Rancho who is registered as an inpatient or an outpatient in the Facilities system.

D. "Physician Affiliate" means a licensed physician providing services under this Agreement who is not a principal in Contractor. It includes, but is not limited to, all physician employees or subcontractors.

E. "On Site" means provided on the licensed premises of MLK, Harbor, OVMC, HDHS and Rancho."

3. Paragraph 2, TERM AND TERMINATION of the body of this Agreement shall be amended to read as follows:

"2. TERM AND TERMINATION: The term of this Agreement shall commence upon date of Board approval, and shall



continue in full force and effect to and including August 31, 2008, unless terminated sooner pursuant to the terms of this Agreement. All provisions of the Agreement in effect on the date the extension period commences shall remain in effect for the duration of the extension.

Except as otherwise set forth below, this Agreement may be terminated at any time by the County, with or without cause, upon the giving of at least thirty (30) calendar days' advance written notice thereof to the Contractor.

County may terminate this Agreement immediately if Contractor, or any of its officers, employees, or agents, including any one or more of its physician affiliates, fail to comply with the terms of this Agreement, or fail to carry out within a reasonable time any directions, by or on behalf of County issued pursuant to this Agreement.

County may terminate this Agreement, in whole or in part immediately, if Martin Luther King, Jr. Multi-Service Ambulatory Care Center loses its license or is otherwise closed.

County may also terminate this Agreement immediately if County has a reasonable belief that Contractor, its physician affiliates or its principals, may be engaging in a course of conduct which poses an imminent danger to the life or health of County patients.

In cases of immediate termination, County shall provide a written "Notice of Immediate Termination" which shall be effective upon Contractor's receipt of it, or upon the date specified in the Notice, whichever is later.

County's failure to exercise its rights of termination shall not constitute waiver of such rights, and the same may be exercised at any subsequent time.

This Agreement may be terminated at any time by the Contractor, with or without cause, upon the giving of at least sixty (60) calendar days' advance written notice thereof to the County."

3. Paragraph 4, DESCRIPTION OF SERVICES, of the body of the Agreement shall be amended to read as follows:

"4. DESCRIPTION OF SERVICES: Contractor shall, upon the written request of Director or Administrator, arrange for the provision of the specialty medical services described in Exhibit A-3, attached hereto and incorporated herein by reference."

4. Paragraph 5, BILLING AND PAYMENT, of the body of the Agreement shall be amended to read as follows:

"5. BILLING AND PAYMENT: All billings by Contractor for services provided pursuant to this Agreement shall be in accordance with the terms, conditions, and rates set forth in Exhibit B-3, attached hereto and incorporated herein by

reference.

Unless otherwise specified in writing signed by Director, neither Contractor, its principals nor its physician affiliates shall bill any patient or any payor for services rendered pursuant to this contract and shall consider payment by County to be payment in full for such services. Contractor shall assure that its principals and physician affiliates take all steps necessary to assign to County their rights to payment by any patient or third party payor, including Medicare and Medi-Cal.

Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK), High Desert Health System (HDHS), Olive View-UCLA Medical Center (OVMC), Harbor-UCLA Medical Center (Harbor) and Rancho Los Amigos National Rehabilitation Center (Rancho) are required to maintain certain records related to physicians providing services at each of their respective facilities. Such records may include, but are not limited to: Physician Time Allocation Surveys and Professional Services Assignment Agreements. Contractor shall fully cooperate with MLK, HDHS, OVMC, Rancho and Harbor in completing such records whenever requested by the Administrators to do so."

6. Paragraph 6, MAXIMUM OBLIGATION, of the body of the Agreement shall be amended to read as follows:

"6. MAXIMUM OBLIGATION: The maximum compensation shall be as follows:

A. For the period, date of Board approval through August 31, 2006, the maximum obligation shall not exceed One Million Four Hundred Thousand Dollars (\$1,400,000).

B. For the period, September 1, 2006 through February 28, 2007, the maximum obligation shall not exceed Seven Hundred Thousand Dollars (\$700,000).

C. For the period, March 1, 2007 through August 31, 2007, the maximum obligation shall not exceed Seven Hundred Thousand Dollars (\$700,000).

D. For the period, September 1, 2007 through August 31, 2008, the maximum obligation shall not exceed One Million Seven Hundred Ninety Eight Thousand, Seven Hundred Dollars (\$1,798,700).

In the event that this Agreement is suspended, canceled, or terminated, County's payment obligation above shall cease as of the date of such suspension, cancellation, or termination.

Contractor shall pay the wages of his or her employees or agents who may render services hereunder as well as be responsible for all employment obligations and benefits for each employee, including,

but not limited to, federal and State withholding taxes, Social Security taxes, Unemployment Insurance and Disability payments, if any.

Contractor agrees that should it perform services not requested and specified under this Agreement, such services shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim against County for such services."

7. Paragraph 10, INDEMNIFICATION, of the body of the Agreement shall be amended to read as follows:

"10. INDEMNIFICATION:

A. County shall defend, indemnify, and save harmless only Contractor, Fortino Castaneda, M.D., Inc. and all other physicians who are providing services under this Agreement to the extent that they are either employees, principals or approved subcontractors of Contractor (for purposes of this Paragraph hereafter collectively referred to as "Protected Entity") from liability, expense and claims for damages resulting from or related to a medical incident arising out of the provision of on-site and teleradiology contract services hereunder. For purposes of this Agreement, a "medical incident" shall mean any act or omission in the rendering of, or failure to render, medical

services, or treatment to County Registered Patients by a Protected Entity, at MLK, Harbor, OVMC, HDHS and Rancho, in the performance of the Protected Entity's professional obligations under this Agreement.

B. County's defense and indemnification of Protected Entity hereunder shall only apply to payments of settlements, judgments, and awards to third parties. County's defense and indemnification of Protected Entity hereunder shall further only arise if Protected Entity's liability is to a County Registered Patient or the patient's representative, and the patient, at the time of the medical incident, was receiving care from Protected Entity in the discharge of its obligations under the terms and conditions of this Agreement.

C. Protected Entity shall give prompt telephonic notice within twenty-four (24) hours) to the MLK, Harbor, OVMC, HDHS and Rancho Facility Risk Managers of any incident, receipt of notice of intent to sue, action, or claim to which this indemnification applies and shall fully cooperate with County and its claims representatives, in any defense, settlement, or other disposition of such incident, action, or claim. Such telephonic notice shall be immediately followed by written notice to the MLK, Harbor, OVMC, HDHS and

Rancho Risk Managers. Such written notice shall include all of the information listed in County's Risk Management form. Contractor hereby acknowledges receipt of said County Risk Management form, and shall assure that each Protected Entity receives a copy.

D. County reserves the right to investigate any incident, notice of intent to sue, action, or claim. In such event, Protected Entity shall allow County representatives access to the medical records and reports pertaining to the services provided to any County Registered Patient involved in such incident, notice of intent to sue, action, or claim. Protected Entity shall also allow County representatives access to its employees and agents, if any, who provided services to the County Registered Patients involved in such incident, notice of intent to sue, action, or claim.

County reserves the right to determine the final disposition of any action or claim. In the event Protected Entity does not agree with the County or its agents in any defense, settlement, or other disposition of such action or claim, Protected Entity may retain counsel, at Protected Entity's sole expense, to pursue defense, settlement, or other disposition of such

action or claim independently. In the event that Protected Entity chooses to retain counsel at its own expense to pursue defense, settlement, or other disposition of such action or claim independently, County's defense and/or indemnification obligation with respect to such action or claim shall be discharged and immediately terminate. County shall not have any obligation to further defend and/or indemnify Protected Entity, which as a result of choosing to retain independent counsel and pursuing defense, settlement, or other disposition of such action or claim independently, shall no longer be working in good faith with the County.

E. County shall have no defense and/or indemnification responsibility or liability for any incident, notice of intent to sue, action, or claim against Protected Entity where Protected Entity failed to provide County with prompt telephonic and written notice of such incident, notice of intent to sue, action, or claim, as specified in Subparagraph 10.C. above, or if Contractor has failed to fully and reasonably cooperate with County and its agents in the defense, settlement, or other disposition of such incident, action, or claim.



In addition, County shall have no defense and indemnification responsibility or liability for any incident, action, or claim against Protected Entity by patients or their legal representatives, other than County Registered Patients who are receiving or received services pursuant to this Agreement. In addition, the obligation of the County to defend and/or indemnify shall not extend to or cover any allegation or complaint of Protected Entity's willful or criminal misconduct, including but not limited to sexual harassment, sexual assault, and/or sexual misconduct of any kind, nor shall the obligation to defend and/or indemnify extend to or cover any allegation or complaint pertaining to Protected Entity's employment or agency related matters. The obligation of the County to defend and/or indemnify shall not extend to or cover any person, real and/or corporate, except those specifically identified in Paragraph 10. A. County specifically disclaims any and all obligation to defend and/or indemnify any persons, real or corporate, who are not specifically identified in Paragraph 10.A. The obligation of the County to defend and/or indemnify shall not extend to or cover any award of any punitive damages.

F. The provisions of this Paragraph shall survive the expiration or earlier termination of this Agreement for actions or claims against Protected Entity."

8. Exhibit A-3, DESCRIPTION OF SERVICES is attached to this Amendment and incorporated into this Agreement by reference.

9. Exhibit B-3, BILLING, PAYMENT AND SCHEDULE OF RATES is attached to this Amendment and incorporated into this Agreement by reference.

10. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Bruce A. Chernof, M.D.  
Director and Chief Medical Officer

FORTINO CASTANEDA, M.D., INC.  
Contractor

APPROVED AS TO FORM  
BY THE OFFICE OF THE  
COUNTY COUNSEL

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Principal Deputy County Counsel

\_\_\_\_\_  
Printed Name

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO CONTRACT  
ADMINISTRATION:

By \_\_\_\_\_  
Cara O'Neill, Chief  
Contracts and Grants Division

AMEND3Fortino.KS:11/06/07

## EXHIBIT A-3

### DESCRIPTION OF SERVICES

#### RADIOLOGY AND TELERADIOLOGY SERVICES TO MARTIN LUTHER KING, JR. - MULTI-SERVICE AMBULATORY CARE CENTER, HIGH DESERT HEALTH SYSTEM, OLIVE VIEW-UCLA MEDICAL CENTER, HARBOR-UCLA MEDICAL CENTER AND RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER

1. SERVICES TO BE PROVIDED:

A. Contractor shall provide or arrange for the provision of Radiology and Teleradiology Services (as hereinafter defined), in accordance with the terms and subject to the conditions set forth in this Agreement. For purposes of this Agreement, "Radiology" and "Teleradiology Services" means the Professional Services and Coverage described in Section 2(A)(2) of this Exhibit A-3. "Reading Site", as used in this Exhibit A-3, is defined as a place at which radiologic images are interpreted for teleradiology services only. "Teleradiology" is defined as a radiologic professional interpretation of radiographic studies performed at a remote site with images transmitted electronically. "Service Site" is defined as a place at which radiologic procedures are performed and images obtained. The Service Sites for this Agreement are located at Martin Luther King, Jr. Multi-Service Ambulatory Care Center, 12021 South Wilmington Avenue, Los Angeles,

California, 90059, High Desert Health System, 44900 N. 60<sup>th</sup> Street, West, Lancaster, California, 93536, Harbor-UCLA Medical Center, 1000 West Carson Street, Torrance, California, 90509, Olive View-UCLA Medical Center, 14445 Olive View Drive, Sylmar, California, 91342, and Rancho Los Amigos National Rehabilitation Center, 7601 E, Imperial Highway, Downey, California, 90242, (hereafter collectively "Facilities" or singularly "Facility") all of which are medical facilities.

The Director may, with consent of Contractor add additional service sites, however, the addition of such sites shall not effect the maximum obligation set forth in Paragraph 6 of the Agreement unless Agreement is amended in the form of a written amendment which is formally approved and executed by the County Board of Supervisors. The addition of service sites shall be made in writing.

B. Contractor shall be expected to participate in departmental meetings, quality assurance activities, on-site medical conferences, the peer review process, and any other on-site activities deemed to be appropriate as requested by the Director, the Administrators of each Facility, or Radiology Medical Directors of each Facility, or their designated representatives (hereafter referred to as "Administrative Services"). Contractor has no obligation to

provide academic services. The obligations of Contractor shall not include overall physician responsibility for MLK, OVMC, HDHS, Harbor and Rancho radiological services under State licensing laws and regulations or under any hospital accreditation standards or requirements, and each facility acknowledges that it is looking to other radiologists at the Facility to exercise and fulfill such physician responsibility.

2. CONTRACTOR RESPONSIBILITIES:

A. Professional Services: Contractor shall provide or arrange for the provision of the following services (collectively, the "Professional Services"):

1. Radiology Services:

(a) Interpretation of diagnostic radiographic examinations, computed tomography, magnetic resonance imaging, nuclear medicine, gastrointestinal and genitourinary examinations, ultrasound, and intervention radiographic examinations;

(b) Preparation of reports shall be as follows:

(1) The report on all procedures annotated as being "stat" priority by each Facility shall be dictated by Contractor into

the dictation system provided by each facility within thirty (30) minutes of receiving the image. The referring physician may therefore access the report through the telephone or the Internet. It is assumed that all emergency room services are "stat".

(2) All non-emergency procedures for inpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within one hundred twenty (120) minutes of Contractor receiving the image;

(3) All non-emergency procedures for outpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within three hundred sixty (360) minutes of Contractor receiving the image;

(4) If Affiliated Physician or Principal of Contractor determines that a condition reflected in an image requires immediate

attention, he or she shall contact appropriate personnel at the Facility by telephone.

(5) All interpretations shall be signed by the Affiliated Physician or Principal who interpreted the image within twelve (12) hours of receipt of the transcribed report. However, in no case shall a report be signed more than seventy-two (72) hours after it was dictated.

(c) Professional consultation to each Facility's Radiology Department staff, including technologists, sonographers, supervisors, nursing staff, and other attending and consulting physicians, as requested by each Facility.

(2) Teleradiology Services:

(a) Perform interpretation of radiographic images received at a reading site from each Facility.

(b) Telephone consultation by the Contractor with a physician, physician designee, or nurse at the Facility, to the extent that the patient's condition requires such consultation, and the consultation has been requested from each Facility prior to or immediately following dictation or



other communication by Contractor that indicates that there exists on the image a condition/result needing immediate attention and/or requiring clarification; and

(c) Preparation of reports shall be as follows:

(1) The report on all procedures annotated as being "stat" priority by each facility shall be dictated by Contractor into the dictation system provided by each Facility within thirty (30) minutes of receiving the image. The referring physician may therefore access the report through the telephone or the Internet. It is assumed that all emergency room services are "stat";

(2) All non-emergency procedures for inpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within one hundred twenty (120) minutes of Contractor receiving the image;

(3) All non-emergency procedures for

inpatients with no specific priority annotation shall be considered to be routine and the report on such images shall be dictated by Contractor into the dictation system provided within three hundred sixty (360) minutes of Contractor receiving the image;

(4) If Affiliated Physician or Principal of Contractor determines that a condition reflected in an image requires immediate attention, he or she shall contact appropriate personnel at the Facility by telephone.

(5) All interpretations shall be signed by the Affiliated Physician or Principal who interpreted the image within twelve (12) hours of receipt of the transcribed report. However, in no case shall a report be signed more than seventy-two (72) hours after it was dictated.

B. Business License: County acknowledges that the requirement that a Contractor shall provide evidence that it has, for a minimum of three (3) years, been in business as a provider of teleradiology services described in this

Agreement is waived. However, Contractor must possess a current business license at the time of contract execution, and continuously thereafter throughout the term of the Agreement, including any extensions thereto. Prior to the execution of this Agreement, Contractor shall provide the Department of Health Services, Contracts and Grants Division, with a copy of its current business license(s) and appropriate Employer Identification Number.

C. Hours of Coverage:

(1) The actual hours of service to be provided by Contractor shall be established by Administrator of each Facility after notice and consultation with Contractor. Each Facility Administrator may require Contractor's services on a shift, hourly or procedure-specific basis at Administrator's discretion, and may change the established hours at any time upon reasonable notice to Contractor, and after consultation with Contractor.

(2) Radiology Services:

(a) For each Facility Contractor shall be prepared to provide on-site physician coverage by an affiliated physician or principal to perform Professional Services during the hours of 6:00 p.m. Friday through 6:00 p.m. Sunday, Pacific

Time, including holidays.

(b) Each Facility Administrator may utilize Contractor's services during any other time periods specified by such Administrator with Contractor's consent.

(3) Teleradiology Services:

(a) Contractor shall provide an affiliated physician or principal to perform Professional Teleradiology Services as requested and agreed upon with Administrator, but at a minimum during the hours of 6:00 p.m. through 7:00 a.m. Sunday through Thursday, Pacific Time, including holidays.

(b) Each Facility Administrator may utilize Contractor's services during any other time periods specified by such Administrator with Contractor's consent.

D. Additional Provisions:

(1) Contractor shall use the dictation system provided by each Facility to prepare final reports.

(2) Contractor shall ensure that an affiliated physician and/or principal is always available for direct physician consultation.

E. Qualifications of Affiliated Physician or

Principal: Each Affiliated Physician or Principal shall:

(1) Possess the necessary license(s) to perform the professional services required under this Agreement;

(2) Maintain medical staff privileges at each Facility; and;

(3) Be certified by the American Board of Radiology.

F. Additional Services: Additional Services shall be provided as follows:

(1) Contractor shall provide ongoing maintenance of the global network infrastructure implemented for teleradiology services to meet the demands of each Facility.

(2) Contractor shall provide ongoing maintenance of the Teleradiology connection implemented at each Facility and continue to ensure that appropriate safeguards are in place.

(3) Contractor shall provide for technical support to address problems in the computer infrastructure used by Contractor to provide Teleradiology Services.

3. EQUIPMENT AND SUPPLIES: Contractor, at no cost to County, shall provide or arrange for the provision of the following items and services (collectively, the "Equipment and Supplies") for the purpose of providing optimal teleradiology services and associated processing of reports:

A. Computer hardware selected by Contractor, to be utilized at the Reading Site(s);

B. Computer operating system software selected by Contractor, to be utilized at the Reading Site(s), with the exception of any software necessary to electronically connect with PACS and Affinity;

C. Installation of software at the Reading Site(s), and training on such equipment of personnel utilizing computer hardware and software at the Reading Site(s);

D. Facsimile and telephone to be utilized at the Reading Site(s) to communicate with each facility; and

E. Any supplies, services, maintenance, repairs, and upgrades required to allow the use of the equipment described in Paragraphs 3A through D above for the provision of optimal teleradiology services and associated reports.

4. SUPPORT STAFF: County shall employ or contract for the services of the certified radiologic technologists, or other qualified and authorized personnel, to properly transmit images to the Reading Site(s).

5. COMMUNICATION OF STUDY INTERPRETATIONS: Each Facility shall take such actions as may be necessary, including provision of sufficient resources at the hospital, to allow for the immediate communication to the referring physician and/or other appropriate physician(s) of all interpretations of studies performed by the Affiliated Physicians and Principals and communicated to a Service Site.

6. MAINTENANCE OF FILMS AND PATIENT RECORDS: Each Facility shall maintain all radiographic films and related patient records pertaining to studies interpreted by Affiliated Physicians and/or Principals in accordance with applicable federal and state laws. Upon request by Contractor for reasonable business purposes, including patient treatment or in connection with a professional liability claim, and after receipt from Contractor of any authorization or consent required by law, a Facility shall transmit electronic copies to Contractor and provide access to such films and records by the requesting party or its authorized agent, including the right to make copies thereof at the expense of the requesting party.

7. ADDITIONAL OBLIGATIONS OF THE FACILITIES:

A. Each Facility shall notify Contractor of the telephone and facsimile numbers and contact person at each location providing images for purposes of receiving teleradiology services ("Service Site") prior to the commencement date of services for that site.

B. In the event that the Facility personnel at a Service Site experiences difficulty in transmitting an image to a Reading Site, the facility personnel shall notify Contractor of such difficulty by telephone immediately.

C. Each Facility shall cooperate with Contractor in the delivery of the services to be provided hereunder, including providing reasonable assistance to Affiliated Physicians or Principals seeking medical staff privileges at the Facility.

D. Each Facility shall be responsible for obtaining or for causing the physician requesting the professional services at the Service Site to obtain any necessary informed consents from patients relating to the provision of Teleradiology Services.

E. Each Facility shall cause Radiologists not covered by this Agreement to perform image review in the event that Contractor is unable to receive readable images and/or sufficient patient information from the Service Site during periods when Contractor is responsible for providing teleradiology services, for reason of failure of equipment referenced in Paragraphs 3. A. through D., above.

F. Each Facility shall cause County employed Radiologists to exercise overall responsibility for the



radiological service at each Service Site to the extent that such responsibility is required to be exercised by a physician or physician group under State licensing laws and regulations or under any applicable hospital accreditation standards or requirements.

G. Each Facility shall provide necessary licenses and access to PACS and dictation systems for purposes of providing services under this Agreement.

H. Each Facility shall provide the dictation system, paperwork supplies and all materials necessary for dictation.

8. PARKING SPACE: When providing services hereunder on site, each Facility Administrator shall make accommodations to provide parking at the facility for the Physician Affiliates and Principals.

SOW.FORTINO.RAD.11/2007.KS

EXHIBIT B-3

BILLING, PAYMENT, AND SCHEDULE OF RATES  
MARTIN LUTHER KING, JR. MULTI-SERVICE AMBULATORY CARE CENTER,  
HARBOR-UCLA MEDICAL CENTER, OLIVE VIEW-UCLA MEDICAL CENTER, HIGH  
DESERT HEALTH SYSTEM, AND RANCHO LOS AMIGOS NATIONAL  
REHABILITATION CENTER

1. BILLING AND PAYMENT: Contractor shall bill County in arrears, in accordance with the terms, conditions, and rates set forth below. All billings shall clearly reflect and provide reasonable detail of the services for which claim is made, including, but not limited to, the names of the patients treated, their Medical Record Number, type of services (procedures) provided, name of the Affiliated Physician or Principal who provided each service, date of service, the authorized rate, and any other charges or credits, as set forth in this Agreement. To the extent that Contractor is seeking payment for a services which is pay for on a per diem basis, such billing shall also indicate the amount of time spent providing the service.

Separate bills shall be issued to each Facility for services provided to patients of that Facility and forwarded to the attention of the Facility Expenditure Management Division promptly at the beginning of each month for services provided in the prior month. Upon receipt of a complete and correct bill, County shall pay Contractor within thirty (30) working days. Incorrect and/or discrepant billings, as determined by the Facility, will be returned to Contractor for correction before payment is made.

2. COMPENSATION RATES: County shall compensate Contractor for providing services hereunder in accordance with the schedule of rate(s) listed below:

A. Professional Services: In payment for Professional Services and each and every other responsibility imposed on Contractor by this Agreement, including but not limited to the obligation to make physicians available as specified in Paragraph 2, Section C, 2. (b) of Exhibit A-3, except Administrative Services, Contractor shall receive a fee based on the following schedule. The fee will be paid for each Study for which there is a dictated and signed report.

- (1) Magnetic Resonance: \$55 per Study
- (2) Computed Tomography: \$45 per Study
- (3) Ultrasound: \$35 per Study
- (4) General Diagnostic Studies: \$15 per Study
- (5) Gastrointestinal Studies: \$100
- (6) Nuclear Medicine Studies: \$45
- (7) Angiography performed while providing services onsite during prescheduled hours: \$700
- (8) Angiography performed after Contractor came in during non-scheduled hours: \$900
- (9) Other interventional procedures, including but not

limited to, PICC Line insertions to be completed only when Contractor is scheduled to provide service on-site: \$150.

B. For purposes of this Exhibit B-3, "Study" means a procedure that is described using a distinct procedural code under the Current Procedure Terminology (CPT) of the American Medical Association, and which would warrant a separate payment under the rules applied by the Medicare Program. For example, if two (2) CPT codes are utilized, consistent with the rules applied by the Medicare Program to describe the professional services furnished under this Agreement, there would be a fee for two (2) Studies under this Agreement.

C. The agreed upon charges for services for each Study described in Professional Services, Section A., numbers 7 and 8 above includes payment for the complete provision of services, i.e., preliminary procedures and/or preparation for the examination, the provision of the actual examination, the overall interpreting process, and all required follow-up to insure the report is accurate and released to the referring physician in the time frames provided for in this Agreement.